Labour Market Notes

Alberta's labour market softens

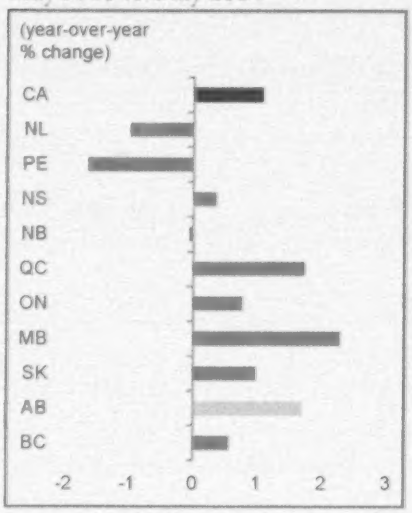
Alberta

- May employment falls. Alberta employment fell by 6,400 jobs in May, after increasing 12,500 in April.
- Job losses in part-time positions. Part-time employment fell (-26,600). This was partly offset by a 20,200 increase in full-time positions, the first increase in four consecutive months. Self-employment gained 4,300 jobs in May, while the private (-6,500) and public (-4,200) sectors lost jobs.
- Broad-based industry job losses. There were net job losses in both the goods (-1,400) and service (-5,000) sectors. In the service sector, job losses were led by the transportation and warehousing sector (-6,800), followed by professional, scientific and technical services (-6,000) and public administration (-4,600). The natural resource sector (-3,800) led the goods sector losses, while construction was the only goods sector industry to post gains (+4,100).
- Unemployment rate jumps up in May. Alberta's unemployment rate increased by 0.3 percentage points to 5.8% in May, and the labour force remained flat (+200) amid job losses. The unemployment rate is at its highest since early 2011 and 1.3 percentage points higher than January.
- Employment still up over last year. May's employment level was 38,400 higher than a year prior. Year-over-year employment growth currently sits at a weak 1.7%.
- Earnings growth weakens. Average weekly earnings increased to $1,160 in March. Year-over-year growth in earnings eased to 1.6%. Earnings growth in the service sector rose at a faster rate than the goods sector for the fourth straight month.

Canada

- Employment gains concentrated in Ontario and British Columbia. Canadian employment increased by 58,900 in May. Ontario (+43,900) and British Columbia (+30,600) were responsible for the vast majority of the gains. Nova Scotia was the only other province to post gains, while Saskatchewan maintained its employment level from April. Alberta (-6,400) and Newfoundland and Labrador (-4,300) posted the largest monthly losses. Canada has added 192,300 jobs since May 2014, a 1.1% gain.
- Unemployment rate unchanged. The Canadian unemployment rate held steady at 6.8% for the fourth straight month.
- Strong earnings growth. Canadian average weekly earnings increased 0.3% from the previous month to $954 in March. Year-over-year growth was 2.8%, in line with February's gain.

Employment Growth by Province, May 2015 vs. May 2014



Source: Statistics Canada

Alberta Labour Market Indicators

Indicator	Latest*
Employment	2,307,500
month-over-month change	-6,400
year-over-year % change	1.7%
Alberta Unemployment Rate (UR)	5.8%
Edmonton UR**	6.3%
Calgary UR**	5.5%
Participation Rate	73.2%
Average Weekly Earnings (AWE)	$1,160.06
year-over-year % change	1.6%
Average Hourly Wage	$29.24
year-over-year % change	5.0%
Job Vacancy Rate***	1.8%

Source: Statistics Canada

* All data is from the Labour Force Survey for May 2015, except AWE which is the March 2015 Survey of Employment, Payrolls and Hours, and the job vacancy rate is for February 2015.

** This indicator is calculated as a three-month moving average and is seasonally adjusted.

*** This indicator is calculated as a three-month moving average and is not seasonally adjusted.

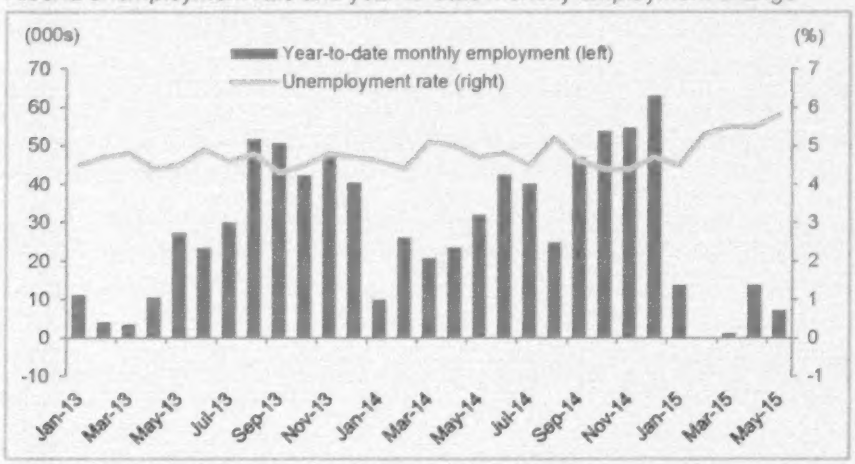
Signs of a cooling labour market

Headline employment numbers for Alberta suggest some resiliency in the labour market. They may not show the full story, however, of a softening labour market due to low oil prices and a weakening economy. This month's Labour InSight explores the underlying weaknesses in Alberta's labour market.

Labour market looks stronger on the surface

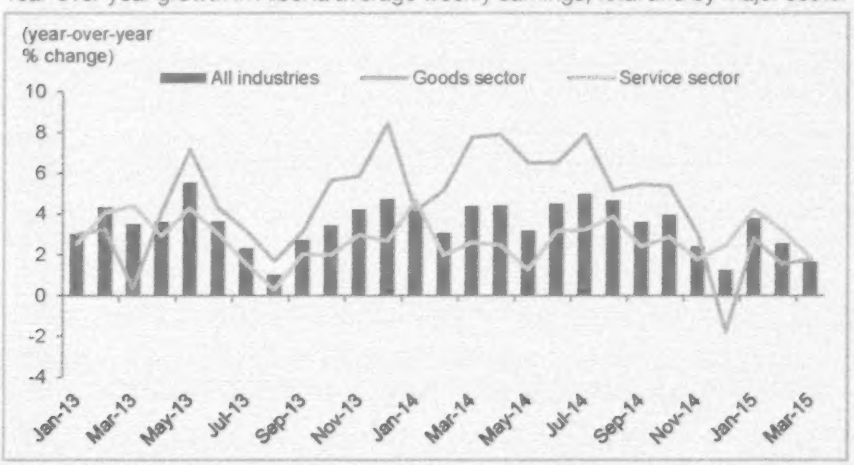
Alberta employment grew 2.1% over the first 5 months of 2015, roughly in line with annual growth for 2013 and 2014. This strength is partially attributed to a strong hand-off from 2014, but looking deeper indicates the labour market is weaker under the surface. The unemployment rate is up 1.1 percentage points so far in 2015, and employment gains have been weak (Chart 1).

Chart 1: Unemployment rate rising amid sluggish job gains
Alberta unemployment rate and year-to-date monthly employment change



Source: Statistics Canada

Chart 2: Muted earnings growth in the Alberta goods sector
Year-over-year growth in Alberta average weekly earnings, total and by major sector



Source: Statistics Canada

Composition takes a hit

There were 7,300 new jobs added between December and May. Increases in employment, however, came mainly from part-time jobs. Full-time employment declined. The jobs added were predominately in the public sector and self-employed, with private sector employment down year-to-date. Additionally, over 15,000 jobs were lost in the higher paying goods sector. Industries tied closely to the energy sector experienced the largest losses.

Temporary jobs cut back

Temporary employment, including contract, seasonal and casual jobs, also fell through May. The growth in temporary employment in the goods sector was negative for the past seven months, and has also been falling for the past four months in the service sector.

Lacklustre earnings growth

Weekly earnings have leveled off since October 2014. On a year-over-year basis, earnings growth has eased in the last three months, weighted down by the goods sector (Chart 2). Overtime hours, a strong driver of earnings growth in the past few years, declined between January and May. Average overtime hours for goods sector employees have fallen year-over-year in four of the past five months. For natural resource sector employees, average overtime hours fell by almost two hours per week compared with last year.

Have a question or idea for Labour InSight? Send us an *email*.

Contact

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